(b) if so, the total number of foreign companies participated in the sixth round of New Exploration Licencing Policy (NELP);

(c) the total number of blocks allocated in the said round; and

(d) the number of blocks allocated to foreign as well as indigenous companies separately and the details of the said companies?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) to (d) Yes Sir, the Govemment of India has received 165 bids for 52 blocks offered under the 6th round of New Exploration Licensing Policy (NELP-VI) A total number of 36 foreign companies participated in bidding round for NELP-VI as compared to 26 foreign companies in bidding round NELP-V. The contracts to awardee companies for 52 blocks will be signed in January, 2007, after following the due procedure.

Compensation to oil companies

652. SHRI YASHWANT SINHA:

SHRI SHATRUGHAN SINHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether as a result of the non-revision of petroleum product prices, the under recoveries of the public sector oil companies are projected to go up to around Rs. 1,00,000 crore in Fiscal 2006-07;

(b) whether IOC alone is losing Rs. 100 crore a day;

(c) whether a gazette notification was issued in April 2002 dismantling the administered price mechanism but effectively the APM is *de-facto* in place; and

(d) whether Government have any plan to compensate the oil companies for their under recoveries?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) and (b) In view of the steep increase in the international prices of crude oil and petroleum products and corresponding non-revision of domestic retail selling prices of sensitive petroleum products, it was estimated in May 2006 that the oil marketing companies (OMCs) might suffer losses/under-recoveries to the tune of Rs. 73,500 crore during the financial year 2006-07. IOC's gross under

recoveries in the 1st half of 2006-07 were Rs. 17517 crores or about Rs. 100 crore per day. Due to reduction in international oil prices effective October, 2006, the under recoveries have come down However. IOC continues to incur under recoveries in sale of domestic LPG, PDS Kerosene and diesel.

(c) With the declared intention of moving towards market-determined pricing for petroleum products, Government announced the dismantling of the Administered Pricing Mechanism (APM) effective 1.4.2002. Since PDS Kerosene and domestic LPG are fuels of mass consumption and largely consumed by the economically vulnerable sections of the society, it was decided that subsidies on these two products would continue on a specified flat rate basis to be met from the fiscal budget.

However, in view of the steep increase in international oil prices, the Government in June 2004 elucidated the principle which would govern its policy of containing the burden of increase in international prices on consumers of sensitive petroleum products. It was decided that the burden should be equitably shared by consumers, the Government and the oil companies. Thus, the full impact of the international price increase has not been passed on to consumers of sensitive products. There has been no increase in the price of PDS kerosene since March 2002, and no increase in the price of domestic LPG since November 2004. Only small increases have been made in the price of petrol and diesel.

(d) The Govemment has adopted the principle of equitable burden sharing amongst various stakeholders *i.e.* OMCs, the Government and the consumers. The Government has agreed to issue Oil Bonds worths Rs. 38,300 crore during the current financial year. The upstream oil companies would bear Rs. 24,000 crore in respect of under-recoveries suffered by OMCs in marketing of sensitive petroleum products during the current financial year.

Diversion of subsidized kerosene by oil mafias for adulteration

653. DR. GYAN PRAKASH PILANIA:
SHRI LALIT KISHORE CHATURVEDI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are aware that the oil mafias siphon off kerosene meant to be sold at a subsidized rate through PDS;